

The complaint

Mr R complains that Ald Automotive Limited overcharged him for excess mileage

What happened

Mr R was supplied with a car and entered into an agreement with Ald Automotive. The initial contract mileage was 24,000, 8000 per annum for a 36 month term.

In June 2023, under a Notice of Variation to the agreement the total contract mileage was increased to 40,015 and the total contract term was increased to 48 months with a contract end date of 12 January 2025. The monthly payment under the agreement was £365.47.

On 1 August 2024 Mr R contacted Ald Automotive and requested to terminate the agreement.

The mileage at termination was 37,770. The mileage allowance under the contract at termination was 34,441. Ald Automotive sent Mr R an invoice for excess mileage of 3,329 miles calculated at 15.62 pence per mile plus VAT or £623.98.

Mr R disputed the excess mileage charges. He said he'd made his final payment on 22 August 2024 and calculated that his excess mileage was 1101.33 miles equating to a charge of £206.80. Mr R complained to Ald Automotive. He said there was no clarity as to how they had calculated the charges.

Ald Automotive didn't uphold the complaint. It said the charges had been calculated correctly.

Mr R remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. She said that although it would've been helpful for Ald Automotive to have provided a clearer breakdown of how the allowable mileage figure was reached, from what she had seen the calculation was correct.

Mr R didn't agree. He said he'd made a payment on 22 August 2024 which should have covered him for the next months mileage, or at least until 12 September 2025. He said this meant that the excess mileage charges should be less.

Because Mr R didn't agree I've been asked to review the complaint.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I know it will disappoint Mr R, but I agree with the investigator's opinion. I'll explain why.

I've reviewed Mr R's rescheduled agreement. This had a contracted mileage of 20,000 and a contract term of 549 days. The contract mileage divided by the contract term equals

36.4298725, which is the daily mileage allowance. Mr R terminated his agreement early on 12 August 2024 after 396 days. The number of days multiplied by the daily allowable mileage equals 14,426.2295. This figure, added to the mileage at the start of the rescheduled agreement of 20,015 gives a total of 34,441. This is the allowable mileage figure. I can see that Mr R returned the car with mileage of 37,770, so the excess mileage was 3329 as per the invoice.

Mr R has also raised a query regarding his August 2024 payment.

Ald Automotive has explained that it raises all rental invoices on the first of the month. Mr R's August 2024 invoice was raised on 1 August 2024. The invoice relates to the current month (August) but doesn't cover September or any part of September.

When Mr R entered into the agreement he selected 21st of the month as his payment date, so payments for invoices raised on 1st of each month were collected on 21st of each month.

I've reviewed the terms and conditions of the agreement. These state that:

"The early termination sum does not reduce or otherwise affect any existing liability that you may have for billed regular payments or other sums which have become due, and which are unpaid. The early termination sum will be due 28 days from the invoice date"

Mr R terminated his agreement on 12 August 2024. The terms and conditions mean that he was still liable for the regular rental payment which was invoiced on 1 August 2024. This doesn't affect the excess mileage calculation. The excess mileage calculation is from 12 August 2024 to 12 January 2025 (the contractual end date).

I appreciate that this isn't the outcome that Mr R was hoping for. However, based on my review of the terms and conditions and the excess mileage calculations, I'm satisfied that the excess mileage charges are correct.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 27 October 2025.

Emma Davy
Ombudsman